

## Message Text

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ACTION PM-04

INFO OCT-01 EUR-12 EA-07 IO-11 ISO-00 NRC-05 FEA-01

ACDA-05 ERDA-05 AF-06 ARA-06 CIAE-00 DODE-00 H-02

INR-07 L-03 NEA-10 NSAE-00 NSC-05 OIC-02 SP-02 PA-01

PRS-01 OES-03 SS-15 USIA-06 SAJ-01 /121 W

----- 037705

R 161728Z MAR 76

FM AMEMBASSY ROME

TO SECSTATE WASHDC 6393

INFO AMEMBASSY BERLIN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY PRAGUE

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION NATO

USMISSION IAEA VIENNA

AMCONSUL MILAN

C O N F I D E N T I A L ROME 4315

E. O. 11652: GDS

TAGS: ENRG, TECH, ETRD, IT

SUBJ: NUCLEAR SUPPLIERS AGREEMENT AND ITALY

REF: (A) STATE 000000, 1/29/76, (B) STATE 59711, (C) 75 ROME

5980 (NOTAL)

BRUSSELS ALSO FOR ERDA - RUBIN

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ALSO FOR NRC

SUMMARY: ITALIAN REACTION TO RECENT ANNOUNCEMENT OF SIGNING OF THE NUCLEAR SUPPLIERS' AGREEMENT HAS BEEN MILD, BUT POTENTIALLY NEGATIVE IMPLICATIONS FOR ITALY HAVE BEEN NOTED. ITALY HAS SHOWN CONSIDERABLE SENSITIVITY ON NUCLEAR MEASURES IN THE PAST, AND EMBASSY BELIEVES THAT USG MAY ANTICIPATE HEARING FROM ITALY ON THIS SUBJECT IN THE FUTURE. EMBASSY HAS NO RPT NO INDICATION THAT GOI HAS REQUESTED INCLUSION, BUT EMBASSY BELIEVES THAT USG ACTIONS IN THIS AREA WILL BE FOLLOWED CLOSELY BY GOI FOR INDICATIONS OF SIGNIFICANCE TO ITALY. EMBASSY WOULD APPRECIATE GUIDANCE ON RESPONDING TO POSSIBLE INQUIRIES. END SUMMARY.

1. ITALIAN PRESS REACTION AND COMMENT TO NUCLEAR SUPPLIERS' AGREEMENT SIGNED BY US, USSR, FRANCE, WEST GERMANY, CANADA AND JAPAN HAS BEEN MILD, SPARSE AND NON-POLEMICAL, LIMITED MOSTLY TO SPECIALIZED ECONOMIC PRESS. COVERAGE HAS EMPHASIZED SECRECY OF NEGOTIATIONS AND RESTRICTED NUMBER OF SIGNERS, BUT HAS ALSO EMPHASIZED PEACEFUL PURPOSES AND NEED TO LIMIT PROLIFERATION. AT THE SAME TIME, PRESS HAS INTERPRETED AGREEMENT AS SIGNIFYING WEAKNESS OF EUROPEAN CO-OPERATION; SPECIFICALLY, EC INSTITUTIONS SUCH AS EURATOM. ONE PAPER (II FIORINO, 2/27) CITED US CONGRESSIONAL PRESSURE FOR RESTRICTIONS ON NUCLEAR MATERIAL EXPORTS AS AN IMPORTANT CONTRIBUTING FACTOR.

2. POTENTIAL EFFECT ON ITALIAN DEVELOPMENT UNIVERSALLY INTERPRETED AS UNFAVORABLE. COMMENTARY BY NATIONAL NUCLEAR ENERGY COMMITTEE - CNEN (ROUGHLY EQUIVALENT TO US AEC PRIOR TO ERDA, NRC) FOREIGN RELATIONS DIRECTOR ACHILLE ALBONETTI (WRITING IN 24 ORE/II SOLE, 1/31) FINDS THAT FAILURE TO INCLUDE OR CONSULT THE EC IS DEPLORABLE BUT NOT SURPRISING, IN VIEW OF EURATOM'S MISSED OPPORTUNITIES TO COORDINATE EC NUCLEAR ENERGY POLICY IN THE PAST. FAILURE TO INCLUDE ITALY, IN SPITE OF IMPRESSIVE CREDENTIALS (EURODIF PARTICIPATION, LARGE-SCALE NUCLEAR RESEARCH FACILITIES, ADVANCED REACTOR PROGRAMS, TWO PILOT PLANTS FOR NUCLEAR FUEL REPROCESSING, ETC.) IS CHARACTERIZED BY ALBONETTI AS QTE GRAVE AND INOPPORTUNE UNQTE. MORE IMPORTANT CONFIDENTIAL

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FOR MOST CRITICS IS POSSIBILITY THAT NUCLEAR SUPPLIERS' AGREEMENT WILL LIMIT ITALY'S CHANCES TO DEVELOP A VIABLE DOMESTIC NUCLEAR POWER INDUSTRY, PARTICULARLY IMPORTANT IN VIEW OF ITALY'S COMMITMENT TO UNDERTAKE AMBITIOUS PROGRAM FOR THE CONSTRUCTION OF 20,000 MW OF NUCLEAR CAPACITY BY 1985. FINALLY, ALL COMMENTATORS POINT TO PRIVILEGED TREATMENT ACCORDED NPT NON-SIGNATORY FRANCE WITH THAT ACCORDED NPT SIGNATORY ITALY.

3. COMMENT. ALBONETTI, A POLICY-LEVEL OFFICIAL AT GOI NUCLEAR RESEARCH AND CONTROL BODY CNEN, MAY CLOSELY REFLECT OFFICIAL GOI THINKING IN THIS AREA. HIS COMMENTS CERTAINLY REFLECT ITALIAN SENSITIVITIES REGARDING ACTIONS POSSIBLY INTERPRETED AS CHALLENGING ITALY'S INDUSTRIAL CREDENTIALS OR QUESTIONING ITS RELIABILITY. GOI HAD HOPED THAT LATTER POINT HAD BEEN LAID TO REST WITH ITALIAN NPT RATIFICATION. ITALY'S DETERMINATION TO MAINTAIN ITS ADVANCED STANDING MAY BE NOTED IN STRUGGLES TO RETAIN IAEA SEAT AND TO SITE EUROPEAN JET PROGRAM AT ISPRA. WHILE NOTION THAT THE NUCLEAR SUPPLIERS' AGREEMENT COULD BE USED TO RELEGATE ITALY TO THE INDUSTRIAL BACKWATERS HAS NOT YET SURFACED PUBLICLY, ACTIONS BY POTENTIAL SUPPLIERS OF MATERIALS FOR THE ITALIAN NUCLEAR PROGRAM WHICH COULD JEOPARDIZE THE PROGRAM HAVE AROUSED OFFICIAL CONCERN; FOR INSTANCE, CHANGES IN US NUCLEAR MATERIAL EXPORT LICENSING PROCEDURES LED TO EXPRESSIONS OF CONCERN BY GOI OFFICIALS (REF C).

4. EMBASSY HAS RECEIVED NO RPT NO OFFICIAL REACTION TO THE CREATION OF THE NUCLEAR SUPPLIERS' GROUP AS YET (AND WE HAVE NO RPT NO KNOWLEDGE OF PRELIMINARY APPROACHES MADE TO INER ALIA ITALY MENTIONED REF A). IN VIEW OF CONSIDERATIONS DISCUSSED PARA 3, WE BELIEVE AN EVENTUAL APPROACH LIKELY. IN ANY CASE, EMBASSY ELIEVES THAT GOI WILL BE CLOSELY EXAMINING USG PERFORMANCE TO DETERMINE HOW ITALY IS LIKELY TO FARE; FOR INSTANCE, USG POSITION ON REPROCESSING AND URANIUM ENRICHMENT TECHNOLOGY TRANSFER CURRENTLY BEING DISCUSSED IN US-ITALY ENERGY WORKING GROUP.

5. EMBASSY IS PLANNING TO DISTRIBUTE COPIES OF SECRETARY KISSINGER'S TESTIMONY ON NUCLEAR EXPORTS (WHICH HAS RECEIVED NO LOCAL PRESS COVERAGE). EMBASSY WOULD APPRECIATE  
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GUIDANCE ON RESPONDING TO QUESTIONS LINKING US NUCLEAR EXPORT POLICY TO ITALY'S CASE.VOLPE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, NUCLEAR AGREEMENTS, GOVERNMENT REACTIONS, NUCLEAR POWER PLANTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Reference:** 76 STATE 59711  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
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**Review Date:** 29 MAR 2004  
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**Review Markings:**

Margaret P. Grafeld  
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04 MAY 2006

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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NUCLEAR SUPPLIERS AGREEMENT AND ITALY  
**TAGS:** ENRG, TECH, ETRD, IT  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006